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Estate of the late
Sir Edward Beatty.

Railway Men and Politics

By

E. W. BEATTY,
President, Canadian Pacific Railway.

BEATTY, SIR EDWAR WENTWORTH, 1877-1943
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Canadian pamphlets

Railway Men and Politics

AN

ADDRESS

delivered by

E. W. BEATTY
President, Canadian Pacific Railway

to the

FIFTH SUNDAY MEETING ASSOCIATION OF CANADA

at the

WINDSOR HALL, MONTREAL

January 12, 1919

MR. CHAIRMAN, LADIES AND GENTLEMEN—

When your president, Mr. Woodward, asked me to speak to you to-night, he mentioned an address which had been delivered by Professor Leacock, of McGill University, and, no doubt, in an effort to impress me with the fact that I was not assuming too difficult a task, he pictured how my friend, Professor Leacock, had stood before you without notes and spoke interestingly and instructively for an hour. Mr. Woodward forgot that for years Professor Leacock has been earning his living by speaking and writing, while I have eked out an existence by not doing so. I have been practising law for almost eighteen years, and I cannot recall ever having made a speech that I did not have to make.

It is a mystery to me how people can make a living out of talking and writing. If I had to do it, I would slowly starve to death.

Mr. Woodward also assumed, and I admit that tradition rather supports him in the assumption, that railway presidents are at liberty to speak with authority on almost any subject, from the character of woman's clothes to the Government ownership of railways. My views on the first—single presidents have their limitations—would not be of much value, and on the second perhaps considered not unbiased.

NOT ROLE OF MENTOR

In spite of the tradition I have mentioned as to the freedom with which railway executives are at liberty to discuss general questions, I do not propose to play the role of mentor to this or any other community, and this will explain why Mr. Woodward's suggestion, though the honor of it was keenly appreciated, caused me to hesitate. I felt then, as I do now, that others much better qualified to speak on these subjects might have been chosen, and you would be glad to hear them.

However, it is one of the developments of the past four years of stress and strife, of the serious character of the emergency which we faced and the problems which we have yet to meet, which seems to make it obligatory upon all citizens of Canada to direct their minds to the serious con-

sideration of these problems, and permits of a franker and freer exchange of views in the common interest than would otherwise be perhaps necessary or desirable.

The people of Canada are more alive than ever to the necessity of a careful consideration of these national and domestic problems and their experience during the war; even that experience which dealt with the activities of industries and of the people at home, has tended in a large measure to make them aware of the national importance of thoughtful consideration of national questions.

Second only to the actual military activities of this nation and those activities which form a proper corollary to it, is the lasting national effect of the campaigns among the people at home, which the war has rendered necessary.

When I say this I mean campaigns such as the Victory Loan, Patriotic Campaign, and the Red Cross, during the past four years. We have not yet reached a realization of the effect upon the people of this country of the combined effect of the effort of thousands of men and women working for one purpose only—the common interest of their country and their country's people who are overseas or at home, and to discuss their country's need with each other.

In the Victory Loan and Patriotic Campaigns it struck me as a natural consequence of the activities of these men and women that more real Canadian sentiment was evoked and a keener appreciation of the elemental principles of Canadian citizenship was reached than in any Canadian effort short of our actual military and war industrial activities.

The aftermath of the war is filled with problems in comparison with which the conduct of the war itself may turn out to be a comparatively simple matter, and if in the solution of those problems in that aftermath, and even after that, the foundation is laid for a proper appreciation of duty, tolerance, fair dealing and united effort, the results of our consideration of these questions will be right.

I understand that the majority of your members are connected with transportation companies, and I can therefore speak with freedom on those aspects of Canadian development

which pertain particularly to your chosen work. No one associated with transportation during the past four years has any reason to feel ashamed of the part which he or they or the companies have played in Canada's share in the war.

RAILWAYS' PROUD PART

Only one country was able to maintain without interruption from the beginning to the end of the war an open highway across the Western hemisphere—this was the Dominion of Canada, with her three transcontinental railways. I hope you will remember it because it is a matter of pride. In other words, in spite of the fact that Canada's weather conditions were more arduous for railroad work than those of any other country in the world except Siberia, Canada's was the one route which, without regard to consideration of neutrality, never failed, between Hong Kong, Shanghai, Yokohama, and Vladivostok on the one hand, and Liverpool, London, Plymouth, Glasgow and French ports on the other.

Canada was in the war from the beginning; lost her railroad workers by hundreds and thousands, and was the first big country outside of Russia to have to handle large bodies of troops over great distances. The demand for ships threw upon the Canadian railways a large percentage of the tonnage of coal, wheat and general merchandise which had formerly been carried on the Great Lakes and the St. Lawrence. The growth of the munitions industry created complex variations in the character, volume and direction of traffic. Overseas exports rose from approximately one million tons in 1915, per annum, to over five million tons in 1918. Exports to the United States were swelled by the greater demand for Canadian raw materials caused by the growth of the munitions industry in that country and by the cutting off of overseas supplies.

The railway workers in older and richer countries allowed their services to collapse after a much shorter period of strain than Canada's, with the result that their ports were blockaded and their industries strangled, throwing still further burdens upon the Canadian lines, while, on the other hand, the

Canadian railway workers were able to maintain their service without breakdown, save for local and temporary situations due to unusually severe weather conditions.

In consequence, therefore, of the record established by Canadian railways, it is particularly appropriate to discuss railway problems with those men whose loyalty, self-sacrifice and efficiency has made Canada's great transportation record possible.

As one who till recently was by profession a lawyer, I instinctively read your constitution and platform before coming to address you this evening. It was, therefore, of especial interest to me to find on the first page of your official prospectus the following sentence:

> "The people have just begun to learn what can be "accomplished by legislation. A few men decide that "the clock shall be set forward an hour. The next day "it is *law*, and on the following day millions of people "change the routine of their lives and live and adapt "themselves to the new system. A small group of "*lawmakers* decide to take a registration of the man "and woman power of the Dominion. A new order is "issued, and the lives of millions become an open book "in the archives of the Government. It is desired to "regulate the supply and distribution of coal—a matter "of life and death. The lawmaker, again at work, "regulates the amount of coal you may burn in your "furnace.
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> "We have learned with startling suddenness the in- "vincible power of the *law*. It has become increasingly "clear that in the future, in the fervid, feverish days "of reconstruction that are soon to come, labor must "be directly represented in the *lawmaking* bodies of "the Dominion if the working classes are to secure the "kind of legislation that will protect their interests."

The first article in your Constitution expresses your ambitions:

"The object and aim of this Association shall be to "bring about, by direct political action, the election to "office of the greatest possible number of the country's "workmen (those who toil by hand or brain) as will "secure the fullest individual liberty and the most "widely diffused equality of opportunity in all that "concerns the lives of our citizens, with the ultimate "aim of the attainment of real democracy in Govern-"ment industry."

If the political result of your association, which at present consists almost entirely of railway workers, is to bring into Parliament more railway men, I wish you all success in your efforts. Such an achievement would be of immense benefit to the people of Canada. You have a shining example in the case of my friend and fellow-speaker to-night, a railway man who by his ability has won a distinguished place in the Government of Canada, the Honourable Gideon Robertson. I wish we had more men like him in Parliament to-day.

Senator Robertson is an example of the modern labor man, sane, safe, insistent in labor's cause, but not swept off his feet by every passing breeze. I trust that he will fill the position he holds with satisfaction to the labor men, as well as to the citizens of Canada as a whole.

In view of the important part that the railway industry plays in the economics of Canada, there are far too few railway men at Ottawa, with the result that legislation affecting railway men is too often voted and decided upon by majorities which are not sufficiently acquainted with the facts.

A few weeks ago, when I was on a trip West, I learned that the conductor on the train was a member of the House of Commons for Nipissing, Conductor Harrison. I had a long chat with him. He was not a politician, using that much abused term in its popular sense, but a straightforward, clean representative of the people, whose records with the company was such as to warrant the conviction that he would be a credit to the House. He was a new member, but the sincerity and seriousness of his attitude toward public questions convinced me that the railway men were fortunate in having a

man of his calibre chosen from among them to take part in the deliberations of Parliament.

One has only to read your published platform to realize that the entry of railway workers as a political force would be of immense value to Canadian political life—for what is the first plank of your platform ? Let me read it word for word from your prospectus:

" We pledge ourselves to support all educational plans and objects, municipal, provincial and dominion, where the evident purpose is to advance the standard of education on a par with the most enlightened and progressive educational systems in force in any part of the world."

A political association of working men which embraces as its first reform the general advancement of the education of the people is certainly something new in Canadian politics, and deserves the warmest welcome.

RAILWAY MEN IN PARLIAMENT

Among the questions which may possibly come before Parliament is one which vitally affects the welfare of many of you who are present to-night.

I said that there would be questions arising in the near future in which you have a peculiar interest. There is one question that I have in mind. It may not be too imminent, but may have to be discussed and decided in a few months, and if it is to be decided it is of the utmost importance that railway men should be properly represented in the councils of parliament in order that their views be sufficiently heard before these policies are decided on. Otherwise the decision may be reached without your case being stated. I refer to the question of nationalization of railways. That question, when it is decided, will be decided by the representatives of the people at Ottawa, but only after the desire of the people as a whole is expressed. In the last analysis it will be expressed through the members of the House of Commons and the Senate, but it will obviously be determined in accordance with the wishes of the majority of the people of Canada.

Representatives of railway workers in the House of Commons will be of the greatest assistance as expressing the voice of railway employees, and without that representation your voice may not be sufficiently heard. Those of you who are employees of the Canadian Pacific and Grand Trunk may, by a vote of parliament, become overnight employees of the Government, without your case being officially stated. A great deal has been spoken and written on this very vital subject, much of it, unfortunately, by those who have an inadequate knowledge, or a wrong conception, of the problem. A great many theories are propounded by earnest-minded, sincere men, publicists, and others who honestly believe that the nationalization of all Canadian railways would be an advantage to Canada; and whether it will be to the advantage of Canada is the only aspect from which the subject should be approached. In order to decide it, however, we must rid ourselves of any misconception as to what it means. If you were buying a piece of land for farming purposes you would ascertain what is the value of the land you seek to acquire, and whether the possible results of your working it would justify the acquisition. You would first, of course, have to decide whether or not you wanted to be a farmer. The Canadian people must decide whether they want to be railway owners and operators, and if so, what it will cost to acquire the railways, and what will be the results of their administration of them when acquired. The systems involved are huge, and the number of employees affected is, I think, the largest, with one exception, of any single Canadian industry.

DUTIES OF STATE

Now the misconception that I speak of, which I think exists, exists in the minds of those men who believe in public ownership of railways, is two-fold. It is first a misconception of the functions of the State, which is to regulate industrial enterprises, not manage them. It may be said that ownership may exist and yet that independent management may be secured through the medium of independent directorates.

The difficulty which confronts us here is that it is almost impossible to divorce responsibility for management from the Government which has the financial responsibility. It is difficult for the man who pays the bill to keep from interfering with the administration of his own property. This means, in the case of Government, political interference, and that is full of danger. The second misconception is that these advocates have an idea that the systems could be acquired upon terms which, in some way, would be advantageous to the buyers. In other words, that because the purchasers are the people, something less than the value of the properties would be paid. Fundamentally this is wrong. We have a right to assume that the Government in acquiring property would acquire it on the same basis as an individual, and that they would pay what the property is worth. If they pay what the properties are worth they would pay or become liable for more than a billion and a half property, and would they have reasonable assurance of their ability to administer them when acquired in such a way that the results will be satisfactory? The crux of the whole thing lies in this, namely, the ability of Governments to carry on enterprises such as these with the same competency and efficiency as can private owners. I am not attempting to persuade you to my views—they are not unalterable, but I am not convinced of the expediency nor wisdom of any such policy, because none of the advocates have been able to show ground for the faith that is in them. Before we change from the system which we understand, and which, in the case of some companies at least, has worked to the distinct advantage of Canada, we should be very sure that an improvement will be made, and the results to the people, the owners, such as to warrant the extraordinary obligations they would assume. It would be a pity to change from a system we know of to a system that we know very little about.

I have said to you that my views may not be considered unprejudiced, owing to my long association with one company, which, after thirty years, has developed slowly to a point of efficiency and successful operation, and whose success and efficiency are in a large part due to men whose enterprise,

resourcefulness, and loyalty could not have been stimulated in any civil service. I realize fully the extent to which the success of the Canadian Pacific has been due to the loyalty of the officers and men in it, and I have never seen quite the same spirit in any institution in which individual initiative was not fostered, or in which political pull or influence was substituted for efficiency. There seems to be something clamping, and inducing indifference which results from the knowledge that a man is working for the Government. It may be the fault of our system, but it is a fact that Government service has not hitherto been as attractive to the wide-awake, progressive men of the country as it has been in some of the older lands across the sea, and, even with the advantages enjoyed in other countries, I am not aware of any single instance in which it can be said that the operation of huge industrial enterprises by the Government has, under normal conditions, been an unqualified success.

QUESTION FOR ALL CANADA

I have mentioned this subject, not with the idea of giving you a series of arguments for and against nationalization of railways—I am intending rather to point out to you the magnitude and the importance of the problem to Canada, and the necessity for your workers, who have such a tremendous stake in the result, being properly represented in the councils where these policies will be prepared. Next to the war itself, it is probably the most vital problem to Canada. It cannot and should not be decided by the views of extremists on either side. It cannot be determined in accordance with the wishes or interests of financiers, stockholders, politicians, or of any one set of men. It must be determined upon the one ground, namely, balancing its advantages with its disadvantages, which is in the best interest of Canada. There will be, I am convinced, no question of confiscation involved, because no one will, I think, seriously suggest that anyone's property should be taken without adequate compensation.

It is purely a question of what is the wise and prudent thing to do, and in order to reach that decision the most careful consideration and analysis of the results here and in other countries is necessary. When I can only say to you that these problems deserve the gravest consideration, I can, I think, approach with greater certainty the question of what we should do at the moment.

This much may, it seems to me, be said with confidence now, namely, that we do not know enough that is encouraging about Government operation of large railway systems to justify any further excursions into that field at this time. To argue from the experience of old countries where civil service obtains a much better share of the ambitious young men than in Canada, or to argue from the alleged success of comparatively local affairs, or Government organizations dominated by exceptional personalities, is unfair—not to the railways, but to the country which has so much at stake in this issue. We can well afford to wait, to study dispassionately our own situation and the experiment of the United States before committing our country to serious changes in policy. The solution finally adopted in the United States will be of inestimable value to Canada. Meantime, too, the experience which Canada will now have of the present newly organized Government system will demonstrate many things. It will indicate very largely the general nature of the results we may hope to secure from an extension of the system.

NEED FOR CAUTION

Now you have a railway sign, and on it is, "Stop, Look and Listen." You have also heard the expressions, "Wait and See," and "Watch and Pray." You have been warned not to "Marry in haste and repent at leisure." All through your lives you have been met with the necessity for caution when you are approaching the unknown. There are times when prudence must prevail, and one of those times is when communities are facing a problem of great vital national importance, but filled with doubt.

For the moment, therefore, I think we can say with absolute certainty that until we know more about Government operation in Canada and the United States, we should not embark upon permanent policies, because to do so without the advantage of this information—information available in due time—in fact, without the knowledge essential to the determination of the problem, would be to my mind the height of folly.

In the education of your members for political discussion, the study of economics must naturally play a large part. I see in the list of books recommended for your perusal in the *Canadian Railroader*, the works of such men as Adam Smith, Ricardo, Henry George and others—a very representative collection. A knowledge of the great writers on economics is of great value to those who wish to discuss intelligently the economic problems of to-day.

It is not my intention to speak to you on economics, but there is one economic fact in connection with the nationalization of railways, and that is the proportion of the obligations which would fall upon you as railway employees, who form so large a portion of the industrial population of Canada. In the event of the Government taking over the railways, large sums of money would be required. If the money did not have to be raised the obligations would be there just the same, and with the large number of railway employees compared with workers in other industries, the proportion of the obligation falling upon them would be relatively great.

HARMONY PREVAILS

I am very glad to say that the relation between the managements of the Canadian railways and the employees were never so harmonious as they are to-day. I see no reason why they should not continue.

It was my privilege to have something to do in the last stages of the formation of what is known as the "Railway Board of Adjustment No. 1," in the formation of which, as you know, my friend the present Minister of Labor took such a prominent part. The vice-presidents of your orders were there; the executives of the railways were there also, and for the best part of a day we discussed the essential clauses of the

agreement which brought the Railway Board of Adjustment No. 1 into existence.

I did not know the vice-presidents of your orders as well as most railway executives. I had met some of them years ago, but I want to say to you now that if the attitude of Labor and of the railway officers in all cases was that as was then shown by Messrs. Kennedy, Berry, Murdock, Wark, Turnbull and Mein, and the other labor leaders, and which attitude has constantly, I am advised, been continued, there would be little possibility of difficulties arising which were not capable of amicable adjustment. I considered—and lawyer-like I was doing a good deal of the talking myself—that I had rarely met men who took a more broadminded, fair and temperate view of the situation than did these men who on that occasion represented the unions. They were men of breadth and outstanding ability. They were sincerely patriotic, and obviously desirous that this machinery, which would prevent disturbances, should be put in motion in a way which would be fair to themselves, the members of their unions, and to the railway companies.

The spirit which actuated the railway executives and the representatives of the men on that day, is the spirit which we must bring to bear in the solution of many of these after-the-war problems. The interests of the managements and the employees are identical. The railways have placed upon them a very great responsibility at this time of reconstruction, demobilization and development. They are the arteries of commerce, of industry, and agriculture, and much cessation or sluggishness in the circulation might be almost disastrous to our economic independence. But there will be changes, and if there is one thing more than another that I wish you to take away with you to-night for serious consideration that is the fact that in these changes, which are the natural consequence of the violent dislocation of all industry, due to the war, no one interest must be allowed to prevail, and in the transition in order to get back to normal, you men can do your part to readjust yourselves to the altered conditions in the spirit of consideration and fairness—the essentiality of which this war has made very apparent.